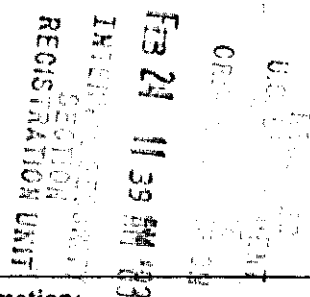
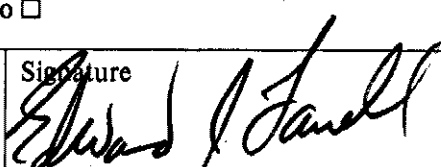
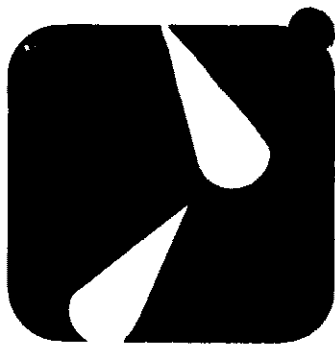


INSTRUCTIONS: Report must be submitted in duplicate to the Registration Unit, Internal Security Section, Criminal Division, Department of Justice, Washington, D.C. 20530. The original must be signed by or on behalf of the registrant. All items in this form must be answered, unless the answer is "none" or "not applicable," in which case such an entry shall be made in the appropriate space. If additional space is needed for any item, attach supplemental sheet identifying each item.

1. Name of registrant <b>BRONZ &amp; FARRELL</b>		2. Registration No. <b>1740</b>
3. Nature of material ( <i>A concise account of the nature of the propaganda material filed</i> )  <b>Press Releases</b>		
4. Title of material, if any <b>A Closer Look at the New Zealand Dairy Industry</b>		5. Name of foreign principal on whose behalf this material was transmitted. <b>New Zealand Dairy Board</b>
6. Means of transmission	7. Dates of transmission	8. Total copies transmitted
9. List addresses from which this material was transmitted: <b>The Smith Group Public Relations 605 14th Street, N.W. Suite 301 Washington, D. C. 20005</b>		10. List states and territories of the United States to which material was transmitted: <b>Washington, D. C.</b>
11. Types of recipients ( <i>Give number of organizations in each group</i> )  Libraries _____ Public officials _____ Newspapers _____ Press services of associations _____ Educational institutions _____ Civic groups _____ Other ( <i>specify</i> ) <b>Radio and Video</b>		12. List names and addresses of persons or organizations receiving 100 copies or more:  <div style="text-align: right;"></div>
13. If the material transmitted was a film or radio or television script, furnish the following information:		
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14. Have two copies of this material been filed with the Department of Justice? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
15. Has this material been labeled as required by the act? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		
Date of report <b>12/6/82</b>	Name and title <b>Edward J. Farrell</b>	Signature 



For additional  
information:  
Arnold Smith  
202/737-5830

# NEW ZEALAND DAIRY BOARD

# NEWS

## A CLOSER LOOK AT THE NEW ZEALAND DAIRY INDUSTRY:

More than any other country in the world, New Zealand relies on the continuing export of livestock products to finance its way in international trade. Last year, almost seventy percent of export earnings came from animal livestock products, and twenty percent of that (about \$1.3 billion) was earned from dairy product exports. Dairying is clearly a major source of foreign exchange for the New Zealand economy and has been for nearly a century.

In New Zealand, only 10 percent of the milk produced is consumed as liquid milk. Ninety percent of the nearly 15 billion pounds of milk produced last year was used in the manufacture of dairy products, and approximately 85 percent of that was exported. By way of contrast, only about 5 percent of total world milk production is traded internationally. The great majority of dairy industries in Europe and North America produce primarily for their own markets and export only surpluses.

Those exports are possible only with the help of government subsidies, while New Zealand's large proportion of exports to total production must compete in world markets without the use of government export subsidies. To do this, New Zealand has had to utilize every available production economy.

GOOD CLIMATE PLUS HARD WORK MEAN DAIRY EXPORT LEADERSHIP:

One of the major advantages the New Zealand dairy industry has is a mild, moist climate. This ideal dairying climate, coupled with favorable topography, provides excellent pasture growth and lets New Zealand milk herds graze year-round without the winter housing needed in Europe and North America. Not only is this less expensive than grain feeding, it is less labor intensive as well.

Large farms and economies of scale keep costs low. The average dairy farm in New Zealand is, by world standards, large - 131 cows on 164 acres. Typically it is owned and operated as a family unit by, on average, just one and a half people. Normally the herd size must exceed 200 cows before it is economic to hire the first full-time worker. To achieve such high labor productivity, dairy farmers in New Zealand need to invest heavily in mechanization, and have developed unique farm management systems. Today virtually all cows are milked in modern herring-bone or rotary milking sheds to maximize labor productivity.

There are about 2 million dairy cows in New Zealand, 60 percent sired by friesian bulls and 37 percent by jersey bulls. New Zealand operates one of the largest artificial breeding schemes in the world, and about 54 percent of all cows each year are inseminated with semen from progeny-tested bulls.

Significant economies of scale are achieved in dairy manufacturing since the average output of New Zealand dairy plants is the highest in the world. Ninety-nine percent of the milk in New Zealand is collected by road tankers from intensive milk-producing areas. This allows the dairy co-operative companies to build large, mechanized multi-product plants in strategic locations. These plants utilize nearly all of the components of fluid milk, keep overhead costs low, and provide the New Zealand dairy industry with the manufacturing flexibility to respond rapidly to changing needs of international markets.

The New Zealand dairy industry plans a continuing investment of around 100 million dollars a year in new processing plants and equipment throughout the 1980s, in order to respond to customer requirements in export markets, and to maintain efficiency and flexibility.

NEW ZEALAND PROCESSING AND MARKETING SECTORS ARE CO-OPERATIVELY ORGANIZED:

Since dairying was first established in New Zealand, dairy farmers - through manufacturing co-operatives - have owned the dairy processing plants. Today, through the medium of the New Zealand Dairy Board, dairy farmers manage the export marketing of all their products. The New Zealand Dairy Board has eleven directors elected by the co-operative dairy companies, two publicly appointed, and one by the fluid milk industry, and buys and sells the export production of the dairy co-operatives.

Co-operative dairy companies process 98 percent of New Zealand's annual milk production and make their own production decisions, but are guided in what they make by the advance export purchase prices fixed by the Dairy Board at the start of the season. In good years trading profit realized by the Board from the exports is pooled, and part of the surplus is distributed through the dairy co-op companies to the farmers at the end of the season. The remaining surplus is transferred to a reserve account and paid out to dairy farmers in the years when there is a trading deficit. This system ensures that the effect on farm incomes of fluctuations in overseas earnings are minimized. There are no export subsidies on dairy products so the income of the New Zealand dairy farmers is principally dependent on the returns from the export markets.

#### 100 YEARS OF EXPORTS:

The honor of being New Zealand's first dairy farmer probably goes to the Rev. Samuel Marsden in the 1820s. Using imported stock, herds were quickly established after Marsden's example and by the 1850s there were well established herds in many parts of New Zealand. Dairy exports started early with some cheese and butter being sent across the Tasman Sea to Australia in the 1840s, but without refrigeration even the Trans-Tasman voyage was a real challenge to exporters. By the 1860s exports had reached about two tons a year. Refrigerated shipping became available in 1882, when the first New Zealand dairy products were sent to the United Kingdom.

Between 1890 and 1950, the development of the New Zealand dairy industry was based mainly on the production of butter and cheese for the United Kingdom market, but since 1950 dairy production in New Zealand has developed into a highly sophisticated export industry, heavily expanding the range of dairy products for export in conjunction with increased involvement in marketing abroad. Currently New Zealand exports a wide range of dairy products to over 100 different countries serviced by 27 overseas offices or affiliates.

For example, New Zealand played a leading role in the mid 1950s in developing the manufacture of recombined fluid milk from anhydrous milk-fat (AMF) and non-fat dried milk (NFDM) in Southeast Asia and later in Central and South America, the Middle East, and Africa. New Zealand is the largest national exporter of AMF and NFDM to this important international milk recombining trade, which absorbs about 70 percent of New Zealand's production of NFDM and 80 percent of its AMF exports. On the cheese side New Zealand now produces many cheese varieties to supply the needs of the international market in addition to the traditional cheddar. New Zealand research and market development of casein has widened the use of this milk protein into a unique and sophisticated range of dietary uses. Wholemilk powder has also developed as a major export product, with foreign sales increasing from 6000 tons in 1970/71 to over 100,000 tons currently. One of the newer products, ultra high temperature pasteurized milk (UHT), is rapidly gaining acceptance, especially in export markets in the Pacific region.

Throughout this period of market and product diversification the New Zealand dairy industry has built an extensive and detailed knowledge of individual export markets and international dairy trade in general, that is known worldwide. The viability of the New Zealand dairy industry is totally dependent on its ability to continue to export each year more than 80 percent of its dairy products to serve the small and delicately balanced international market. Because of this dependence the New Zealand dairy industry constantly monitors trends on the international dairy import market and in co-operation with governments and other dairy industries around the world seeks to achieve constructive and managed solutions to problems that may cause instability in the market. Any attempt by the United States to dispose of its current price support generated surpluses by subsidizing their export would be a devastating blow to the international market. One need only consider that current U.S. stores of cheddar cheese equal five years supply for the accessible international cheddar market to appreciate the fragility of that market absorbing U.S. surplus dairy products.

New Zealand is situated in the South Pacific Ocean just west of the international dateline. It is approximately 1600km South East of Australia, its nearest neighbour. The two major islands of New Zealand, the North and South Islands, separated by the narrow Cook Strait, give the country a combined area of approximately 269,000 sq km.

The population of approximately 3 million is mostly of British and Maori descent. All ethnic groups enjoy complete political and economic equality. The language is English and the country is a self-governing member of the British Commonwealth.

The climate is temperate with a sunshine average of about 2 000 hours annually. Rainfall is spread evenly throughout the year, and for the greater part of the country, ranges between 65-155 cm per year. Temperature variations between seasons are generally small.

Dairying and the manufacture and export of dairy products is of central importance to the nations economy. Through the New Zealand Dairy Board New Zealand is the world's largest exporter of dairy products.

